

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2007-1517-AIR-E **TCEQ ID:** RN100542562 **CASE NO.:** 34647
RESPONDENT NAME: Leedo Manufacturing Co., L.P.

Page 1 of 3

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION

SITE WHERE VIOLATION(S) OCCURRED: Leedo Manufacturing, 100 Foundation Loop, East Bernard, Wharton County

TYPE OF OPERATION: Wood cabinet manufacturing

SMALL BUSINESS: ☐ Yes ☒ No

OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.

INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.

COMMENTS RECEIVED: The *Texas Register* comment period expired on March 31, 2008. No comments were received.

CONTACTS AND MAILING LIST:
TCEQ Attorney/SEP Coordinator: None
TCEQ Enforcement Coordinator: Ms. Kimberly Morales, Enforcement Division, Enforcement Team 5, MC R-12, (713) 422-8938; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171
Respondent: Mr. Gary Cantrell, Systems & Engineering Manager, Leedo Manufacturing Co., L.P., P.O. Box 520, East Bernard, Texas 77435
Mr. George Hagle, Chairman, Leedo Manufacturing Co., L.P., P.O. Box 520, East Bernard, Texas 77435
Respondent's Attorney: Not represented by counsel on this enforcement matter

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: March 26, 2007</p> <p>Date of NOV/NOE Relating to this Case: August 10, 2007 (NOE)</p> <p>Background Facts: This was a routine investigation.</p> <p>AIR</p> <p>1) Failed to comply with emissions limits. Specifically, from January 2006 through December 2006, the automatic stain line (EPN ST BTH 1 STK) exceeded the hourly limit for volatile organic compounds ("VOC") on 222 separate occasions with a maximum exceedance of 54.52 pounds per hour ("lbs/hr"). Stain Booth 1 Conveyor Fugitives (EPN ST BTH 1 CNRV FUG) exceeded the hourly VOC limit on 224 occasions with a maximum exceedance of 20.78 lbs/hr, and Stain Dryer Stacks 1 and 2 (EPN ST DR 1 & 2) exceeded the hourly VOC limit on 225 occasions with a maximum exceedance of 24.07 lbs/hr. The permit-by-rule ("PBR") allows for no more than six lbs/hr of VOC emissions, averaged over a five-hour period, and 500 pounds per week per booth [30 TEX. ADMIN. CODE §§ 106.433(4)(A) and (6)(A), 122.143(4), Federal Operating Permit ("FOP") No. O-1788 General Terms and Conditions ("GC"), and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>2) Failed to submit complete and accurate semi-annual deviation reports for FOP O-1788. Specifically, semi-annual deviation reports for the periods May 2, 2004 through November 1, 2004; November 2, 2004 through May 1, 2005; May 2, 2005 through November 1, 2005; and November 2, 2005 through May 1, 2006 each listed</p>	<p>Total Assessed: \$72,049</p> <p>Total Deferred: \$14,409 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$57,640</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Actions Taken:</p> <p>The Executive Director recognizes that on May 19, 2006, the Respondent submitted an application for Flexible Permit No. 77410 for increased emissions.</p> <p>Ordering Provisions:</p> <p>The Order will require the Respondent to:</p> <p>a. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit application within 30 days after the date of such requests, or by any other deadline specified in writing;</p> <p>b. Immediately upon the effective date of this Agreed Order, begin maintaining daily inspection records for all spray booth filters;</p> <p>c. Within 30 days after the effective date of this Agreed Order:</p> <p>i. Submit complete and accurate deviation reports for the periods: May 1, 2004 through November 1, 2004; November 2, 2004 through May 1, 2005; May 2, 2005 through November 1, 2005; and November 2, 2005 through May 1, 2006; and</p> <p>ii. Submit the records of the 12-month rolling average of gallons used for coating, gluing, cleaning and washoff materials for the period May 1, 2004 through May 1, 2006.</p> <p>d. Within 60 days after the effective date of this Agreed Order, submit written certification that either authorization to construct and operate a source of air emissions has been obtained or that construction/operation has ceased until such time that appropriate authorization is obtained; and</p> <p>e. The certifications and documentation required by Ordering Provisions b. through d. shall include detailed supporting documentation including photographs, receipts, and/or other records.</p>

<p>one deviation for a continuous exceedance of hourly permitted emission limits of VOC on the Auto Stain Line, rather than listing the intermittent exceedances separately. Also, the deviation report for the period November 2, 2005 through May 1, 2006 was incorrectly dated May 2, 2005 through May 1, 2006 [30 TEX. ADMIN. CODE §§ 122.143(4), 122.145(2)(A) and(B), FOP No. O-1788 GC, and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>3) Failed to maintain daily inspection records of all spray booth filters. Specifically, Line 1 and Line 2 daily spray booth filter maintenance records for the period May 1, 2003 through May 1, 2006 were not maintained [30 TEX. ADMIN. CODE § 116.115(c), New Source Review ("NSR") Permit No. 49158 Special Condition ("SC") 11D, NSR Permit No. 39863 SC 12D, and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>4) Failed to maintain records of the 12-month rolling average of gallons used for all coatings, glues, and solvents. Specifically, 12-month rolling average of gallons used for coating, gluing, cleaning, and washoff materials were not maintained for the period May 1, 2004 through May 1, 2006 [30 TEX. ADMIN. CODE § 101.20(2), 40 CODE OF FEDERAL REGULATIONS § 63.800(b)(2), and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>		
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Additional ID No(s): WF0046E



Policy Revision 2 (September 2002)

Penalty Calculation Worksheet (PCW)

PCW Revision June 26, 2007

DATES	Assigned	13-Aug-2007	Screening	11-Sep-2007	EPA Due	
	PCW	13-Nov-2007				

RESPONDENT/FACILITY INFORMATION	
Respondent	Leedo Manufacturing Co., L.P.
Reg. Ent. Ref. No.	RN100542562
Facility/Site Region	12-Houston
Major/Minor Source	Major

CASE INFORMATION				
Enf./Case ID No.	34647	No. of Violations	4	
Docket No.	2007-1517-AIR-E	Order Type	1660	
Media Program(s)	Air	Enf. Coordinator	Jessica Rhodes	
Multi-Media		EC's Team	EnforcementTeam 4	
Admin. Penalty \$	Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$66,100
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History	9% Enhancement	Subtotals 2, 3, & 7	\$5,949
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Notes	Penalty enhancement due to one NOV for same or similar violations and two NOVs for unrelated violations.
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Culpability	No	0% Enhancement	Subtotal 4	\$0
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Notes	The Respondent does not meet the culpability criteria.
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Good Faith Effort to Comply	0% Reduction	Subtotal 5	\$0
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	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes	The Respondent does not meet the good faith criteria.
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Total EB Amounts	\$384	0% Enhancement*	Subtotal 6	\$0
Approx. Cost of Compliance	\$2,300	<i>*Capped at the Total EB \$ Amount</i>		

SUM OF SUBTOTALS 1-7	Final Subtotal	\$72,049
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OTHER FACTORS AS JUSTICE MAY REQUIRE		Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Notes	
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Final Penalty Amount	\$72,049
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$72,049
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DEFERRAL	20% Reduction	Adjustment	-\$14,409
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes	Deferral offered for expedited settlement.
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PAYABLE PENALTY	\$57,640
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Screening Date	11-Sep-2007	Docket No.	2007-1517-AIR-E	PCW
Respondent	Leedo Manufacturing Co., L.P.			<i>Policy Revision 2 (September 2002)</i>
Case ID No.	34647			<i>PCW Revision June 26, 2007</i>
Reg. Ent. Reference No.	RN100542562			
Media [Statute]	Air			
Enf. Coordinator	Jessica Rhodes			

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action <i>(number of NOVs meeting criteria)</i>	1	5%
	Other written NOVs	2	4%
Orders	Any agreed final enforcement orders containing a denial of liability <i>(number of orders meeting criteria)</i>	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government <i>(number of judgements or consent decrees meeting criteria)</i>	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government <i>(number of counts)</i>	0	0%
Emissions	Chronic excessive emissions events <i>(number of events)</i>	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 <i>(number of audits for which notices were submitted)</i>	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 <i>(number of audits for which violations were disclosed)</i>	0	0%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 9%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Penalty enhancement due to one NOV for same or similar violations and two NOVs for unrelated violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 9%

PCW

Screening Date 11-Sep-2007

Docket No. 2007-1517-AIR-E

Respondent Leedo Manufacturing Co., L.P.

Policy Revision 2 (September 2002)

Case ID No. 34647

PCW Revision June 26, 2007

Reg. Ent. Reference No. RN100542562

Media [Statute] Air

Enf. Coordinator Jessica Rhodes

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 106.433(4)(A) and (6)(A), 122.143(4), FOP No. O-1788 General Terms and Conditions ("GC"), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to comply with emissions limits. Specifically, from January 2006 through December 2006, the automatic stain line (EPN ST BTH 1 STK) exceeded the hourly limit for volatile organic compounds ("VOC") on 222 separate occasions with a maximum exceedance of 54.52 pounds per hour ("lbs/hr"). Stain Booth 1 Conveyor Fugitives (EPN ST BTH 1 CNRV FUG) exceeded the hourly VOC limit on 224 occasions with a maximum exceedance of 20.78 lbs/hr, and Stain Dryer Stacks 1 and 2 (EPN ST DR 1 & 2) exceeded the hourly VOC limit on 225 occasions with a maximum exceedance of 24.07 lbs/hr. The permit-by-rule ("PBR") allows for no more than six lbs/hr of VOC emissions, averaged over a five-hour period, and 500 pounds per week per booth.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		x	
Potential			

Percent 50%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment was exposed to significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$5,000

\$5,000

Violation Events

Number of Violation Events 12

225 Number of violation days

mark only one with an x	daily	
	monthly	x
	quarterly	
	semiannual	
	annual	
	single event	

Violation Base Penalty \$60,000

Twelve monthly events are recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$100

Violation Final Penalty Total \$65,400

This violation Final Assessed Penalty (adjusted for limits) \$65,400

Economic Benefit Worksheet

Respondent Leedo Manufacturing Co., L.P.
Case ID No. 34647
Reg. Ent. Reference No. RN100542562
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs	\$1,000	1-Jan-2006	1-Jan-2008	2.0	\$100	n/a	\$100
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to obtain a flexible permit for increased emissions. Date Required is based on the first day of the emission exceedance. Final Date is based on the projected day of permit issuance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,000

TOTAL

\$100

Screening Date 11-Sep-2007	Docket No. 2007-1517-AIR-E	PCW		
Respondent Leedo Manufacturing Co., L.P.	<i>Policy Revision 2 (September 2002)</i>			
Case ID No. 34647	<i>PCW Revision June 26, 2007</i>			
Reg. Ent. Reference No. RN100542562				
Media [Statute] Air				
Enf. Coordinator Jessica Rhodes				
Violation Number <input type="text" value="2"/>				
Rule Cite(s)	30 Tex. Admin. Code §§ 122.143(4), 122.145(2)(A) and (B), FOP No. O-1788 GC, and Tex. Health & Safety Code § 382.085(b)			
Violation Description	<p>Failed to submit complete and accurate semi-annual deviation reports for FOP O-1788. Specifically, semi-annual deviation reports for the periods May 2, 2004 through November 1, 2004; November 2, 2004 through May 1, 2005; May 2, 2005 through November 1, 2005; and November 2, 2005 through May 1, 2006 each listed one deviation for a continuous exceedance of hourly permitted emission limits of VOC on the Auto Stain Line, rather than listing the intermittent exceedances separately. Also, the deviation report for the period November 2, 2005 through May 1, 2006 was incorrectly dated May 2, 2005 through May 1, 2006.</p>			
Base Penalty		<input type="text" value="\$10,000"/>		
>> Environmental, Property and Human Health Matrix				
OR	Harm			
	Release	Major	Moderate	Minor
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>
		Percent	<input type="text" value="0%"/>	
>> Programmatic Matrix				
	Falsification	Major	Moderate	Minor
	<input type="text"/>	<input type="text"/>	x	<input type="text"/>
		Percent	<input type="text" value="10%"/>	
Matrix Notes	50% of the requirement was not met.			
Adjustment		<input type="text" value="\$9,000"/>		
		<input type="text" value="\$1,000"/>		
Violation Events				
Number of Violation Events		<input type="text" value="4"/>	Number of violation days	
		<input type="text" value="1014"/>		
<i>mark only one with an x</i>	daily	<input type="text"/>	Violation Base Penalty	
	monthly	<input type="text"/>		
	quarterly	<input type="text"/>		
	semiannual	<input type="text"/>		
	annual	<input type="text"/>		
	single event	x		
Four single events are recommended.			<input type="text" value="\$4,000"/>	
Economic Benefit (EB) for this violation		Statutory Limit Test		
Estimated EB Amount		<input type="text" value="\$72"/>	Violation Final Penalty Total	
			<input type="text" value="\$4,360"/>	
This violation Final Assessed Penalty (adjusted for limits)			<input type="text" value="\$4,360"/>	

Economic Benefit Worksheet

Respondent: Leedo Manufacturing Co., L.P.
 Case ID No. 34647
 Reg. Ent. Reference No. RN100542562
 Media Air
 Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$400	1-Dec-2004	1-Jul-2008	3.6	\$72	n/a	\$72

Notes for DELAYED costs

Estimated cost to submit accurate and complete four semi-annual deviation reports. Date Required is when the first deviation report was due. Final date is the projected date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$400

TOTAL

\$72

Screening Date 11-Sep-2007 Respondent Leedo Manufacturing Co., L.P. Case ID No. 34647 Reg. Ent. Reference No. RN100542562 Media [Statute] Air Enf. Coordinator Jessica Rhodes Violation Number 3 Rule Cite(s) 30 Tex. Admin. Code § 116.115(c), NSR Permit No. 49158 Special Condition ("SC") 11D, NSR Permit No. 39863 SC 12D, and Tex. Health & Safety Code § 382.085(b) Violation Description Failed to maintain daily inspection records of all spray booth filters. Specifically, Line 1 and Line 2 daily spray booth filter maintenance records for the period May 1, 2003 through May 1, 2006 were not maintained, as documented during an investigation on March 26, 2007.	Docket No. 2007-1517-AIR-E PCW <i>Policy Revision 2 (September 2002)</i> <i>PCW Revision June 26, 2007</i>
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Base Penalty	\$10,000
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>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
<input type="text"/>	<input type="text"/>	x	<input type="text"/>	
10%				

Matrix Notes	Between 30% and 70% of the requirement was not met.
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Adjustment	\$9,000
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Adjustment	\$1,000
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Violation Events

Number of Violation Events	2	1093	Number of violation days
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mark only one with an x	daily	<input type="text"/>	Violation Base Penalty
	monthly	<input type="text"/>	
	quarterly	<input type="text"/>	
	semiannual	<input type="text"/>	
	annual	<input type="text"/>	
	single event	x	

Two single events are recommended for the two lines.
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Economic Benefit (EB) for this violation	Statutory Limit Test
Estimated EB Amount	Violation Final Penalty Total
\$129	\$2,180
This violation Final Assessed Penalty (adjusted for limits)	
\$2,180	

Economic Benefit Worksheet

Respondent Leedo Manufacturing Co., L.P.
Case ID No. 34647
Reg. Ent. Reference No. RN100542562
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$500	1-May-2003	1-Jul-2008	5.2	\$129	n/a	\$129

Notes for DELAYED costs

Estimated cost to maintain daily spray booth records. Date Required is based on the first day of the violation. Final Date is based on the projected date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$500

TOTAL

\$129

Screening Date 11-Sep-2007 Respondent Leedo Manufacturing Co., L.P. Case ID No. 34647 Reg. Ent. Reference No. RN100542562 Media [Statute] Air Enf. Coordinator Jessica Rhodes Violation Number 4 Rule Cite(s) 30 Tex. Admin. Code § 101.20(2), 40 Code of Federal Regulations § 63.800(b)(2), and Tex. Health & Safety Code § 382.085(b)	Docket No. 2007-1517-AIR-E PCW <i>Policy Revision 2 (September 2002)</i> <i>PCW Revision June 26, 2007</i>
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Violation Description	Base Penalty
Failed to maintain records of the 12-month rolling average of gallons used for all coatings, glues, and solvents. Specifically, 12-month rolling average of gallons used for coating, gluing, cleaning, and washoff materials were not maintained for the period May 1, 2004 through May 1, 2006, as documented during an investigation on March 26, 2007.	\$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual	Potential			
					0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
			x	
				1%

Matrix Notes	Greater than 70% of the requirement was met.
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Adjustment	\$9,900
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	\$100
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Violation Events

Number of Violation Events	1	730	Number of violation days
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mark only one with an x	daily		Violation Base Penalty
	monthly		
	quarterly		
	semiannual		
	annual		
	single event	x	

One single event is recommended.	
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Economic Benefit (EB) for this violation	Statutory Limit Test
Estimated EB Amount	\$83
	Violation Final Penalty Total
	\$109
This violation Final Assessed Penalty (adjusted for limits)	
\$109	

Economic Benefit Worksheet

Respondent Leedo Manufacturing Co., L.P.
 Case ID No. 34647
 Reg. Ent. Reference No. RN100542562
 Media Air
 Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System	\$400	1-May-2004	1-Jul-2008	4.2	\$83	n/a	\$83
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to maintain records of the 12-month rolling average of gallons used for all coatings, glues, and solvents. Date Required is based on the first day of the violation. Final Date is based on the projected date of compliance.

Avoided Costs**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs**Approx. Cost of Compliance**

\$400

TOTAL

\$83

Compliance History

Customer/Respondent/Owner-Operator: CN600254106 Leedo Manufacturing Co., L.P. Classification: AVERAGE Rating: 0.13

Regulated Entity: RN100542562 LEEDO MANUFACTURING Classification: AVERAGE Site Rating: 0.13

ID Number(s):

AIR OPERATING PERMITS	ACCOUNT NUMBER	WF0046E
AIR OPERATING PERMITS	PERMIT	1788
WASTE WATER GENERAL PERMIT	PERMIT	TXG830067
PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	2410057
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	WF0046E
AIR NEW SOURCE PERMITS	PERMIT	39863
AIR NEW SOURCE PERMITS	AFS NUM	4848100015
AIR NEW SOURCE PERMITS	PERMIT	49158
AIR NEW SOURCE PERMITS	REGISTRATION	71284
AIR NEW SOURCE PERMITS	REGISTRATION	71108
AIR NEW SOURCE PERMITS	REGISTRATION	71615
AIR NEW SOURCE PERMITS	PERMIT	77410
AIR NEW SOURCE PERMITS	REGISTRATION	77342
WATER LICENSING	LICENSE	2410057
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD050306729
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE	37697
STORMWATER	REGISTRATION # (SWR)	TXRNEQ612
STORMWATER	PERMIT	TXR05S104

Location: 100 FOUNDATION LOOP, EAST BERNARD, TX, 77435 Rating Date: September 01 07 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: October 02, 2007

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: October 02, 2002 to October 02, 2007

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Jessica Rhodes Phone: (512) 239-2879

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? No
3. If Yes, who is the current owner? N/A
4. If Yes, who was/were the prior owner(s)? N/A
5. When did the change(s) in ownership occur? N/A

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.
N/A
- B. Any criminal convictions of the state of Texas and the federal government.
N/A
- C. Chronic excessive emissions events.
N/A
- D. The approval dates of investigations. (CCEDS Inv. Track. No.)
 - 1 10/02/2002 (246287)
 - 2 10/29/2002 (246289)
 - 3 11/12/2002 (246291)
 - 4 12/27/2002 (246293)
 - 5 07/21/2003 (11180)
 - 6 10/09/2003 (332606)
 - 7 10/09/2003 (332607)
 - 8 10/09/2003 (332608)
 - 9 10/09/2003 (332610)

10	10/09/2003	(332611)
11	10/09/2003	(332612)
12	10/09/2003	(332613)
13	10/09/2003	(332614)
14	10/09/2003	(332615)
15	10/09/2003	(332617)
16	11/20/2003	(332616)
17	02/25/2004	(263732)
18	04/22/2004	(332609)
19	06/15/2004	(272459)
20	08/25/2004	(251232)
21	09/16/2004	(292004)
22	10/18/2004	(336778)
23	11/08/2004	(392334)
24	09/28/2006	(511760)
25	05/03/2007	(535559)
26	08/10/2007	(532589)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date: 06/15/2004 (272459)

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 290, SubChapter D 290.41(c)(3)(O)

Description: Failure to provide an intruder-resistant fence in order to protect well #1.

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 290, SubChapter F 290.121(b)(1)[G]

Description: Failure to develop and maintain an up to date system monitoring plan.

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 290, SubChapter D 290.46(m)(1)(B)

Description: Failure to inspect the pressure tanks annually.

Date: 08/25/2004 (251232)

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)

Rqmt Prov: PERMIT General Condition #8 of Permit 39863

Description: Failure to comply with VOC limits and General Condition #8 of permit 39863.

Date: 09/29/2006 (511760)

Self Report? NO Classification Minor

Citation: 30 TAC Chapter 290, SubChapter D 290.45(d)(2)(B)(ii)

Description: Failure to provide a ground storage capacity which is equal to 50 percent of the maximum daily demand.

Self Report? NO Classification Minor

Citation: 30 TAC Chapter 290, SubChapter D 290.45(d)(2)(B)(iii)

Description: Failure to provide at least one service pump with a capacity of 3 times the maximum daily demand.

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
LEEDO MANUFACTURING CO., L.P.
RN100542562**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2007-1517-AIR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Leedo Manufacturing Co., L.P. ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a wood cabinet manufacturing plant at 100 Foundation Loop in East Bernard, Wharton County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about August 15, 2007.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Seventy-Two Thousand Forty-Nine Dollars (\$72,049) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Fifty-Seven Thousand Six Hundred Forty Dollars (\$57,640) of the administrative penalty and Fourteen Thousand Four Hundred Nine Dollars

- (\$14,409) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.
7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
 8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
 9. The Executive Director recognizes that on May 19, 2006, the Respondent submitted an application for Flexible Permit No. 77410 for increased emissions.
 10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
 11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
 12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to comply with emissions limits, in violation of 30 TEX. ADMIN. CODE §§ 106.433(4)(A) and (6)(A), 122.143(4), Federal Operating Permit ("FOP") No. O-1788 General Terms and Conditions ("GTC"), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on March 26, 2007. Specifically, from January 2006 through December 2006, the automatic stain line (EPN ST BTH 1 STK) exceeded the hourly limit for volatile organic compounds ("VOC") on 222 separate occasions with a maximum exceedance of 54.52 pounds per hour ("lbs/hr"). Stain Booth 1 Conveyor Fugitives (EPN ST BTH 1 CNRV FUG) exceeded the hourly VOC limit on 224 occasions with a maximum exceedance of 20.78 lbs/hr, and Stain Dryer Stacks 1 and 2 (EPN ST DR 1 & 2) exceeded the hourly VOC limit on 225 occasions with a maximum exceedance of 24.07 lbs/hr. The permit-by-rule ("PBR") allows for no more than six lbs/hr of VOC emissions, averaged over a five-hour period, and 500 pounds per week per booth.
2. Failed to submit complete and accurate semi-annual deviation reports for FOP O-1788, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4), 122.145(2)(A) and (B), FOP No. O-1788 GC, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on March 26, 2007. Specifically, semi-annual deviation reports for the periods May 2,

- 2004 through November 1, 2004; November 2, 2004 through May 1, 2005; May 2, 2005 through November 1, 2005; and November 2, 2005 through May 1, 2006 each listed one deviation for a continuous exceedance of hourly permitted emission limits of VOC on the Auto Stain Line, rather than listing the intermittent exceedances separately. Also, the deviation report for the period November 2, 2005 through May 1, 2006 was incorrectly dated May 2, 2005 through May 1, 2006.
3. Failed to maintain daily inspection records of all spray booth filters, in violation of 30 TEX. ADMIN. CODE § 116.115(c), New Source Review ("NSR") Permit No. 49158 Special Condition ("SC") 11D, NSR Permit No. 39863 SC 12D, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on March 26, 2007. Specifically, Line 1 and Line 2 daily spray booth filter maintenance records for the period May 1, 2003 through May 1, 2006 were not maintained.
 4. Failed to maintain records of the 12-month rolling average of gallons used for all coatings, glues, and solvents, in violation of 30 TEX. ADMIN. CODE § 101.20(2), 40 CODE OF FEDERAL REGULATIONS § 63.800(b)(2), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on March 26, 2007. Specifically, 12-month rolling average of gallons used for coating, gluing, cleaning, and washoff materials were not maintained for the period May 1, 2004 through May 1, 2006.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations, which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Leedo Manufacturing Co., L.P., Docket No. 2007-1517-AIR-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. It is further ordered that the Respondent shall undertake the following technical requirements:
 - a. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit application within 30 days after the date of such requests, or by any other deadline specified in writing;

- b. Immediately upon the effective date of this Agreed Order, begin maintaining daily inspection records for all spray booth filters;
- c. Within 30 days after the effective date of this Agreed Order:
 - i. Submit complete and accurate deviation reports for the periods: May 1, 2004 through November 1, 2004; November 2, 2004 through May 1, 2005; May 2, 2005 through November 1, 2005; and November 2, 2005 through May 1, 2006; and
 - ii. Submit the records of the 12-month rolling average of gallons used for coating, gluing, cleaning and washoff materials for the period May 1, 2004 through May 1, 2006.
- d. Within 60 days after the effective date of this Agreed Order, submit written certification that either authorization to construct and operate a source of air emissions has been obtained or that construction/operation has ceased until such time that appropriate authorization is obtained; and
- e. The certifications and documentation required by Ordering Provisions Nos. 2.b. through 2.d. shall include detailed supporting documentation including photographs, receipts, and/or other records. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certification and documentation shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section, Manager
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

John Ordean

For the Executive Director

3/21/2008

Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

George Hagle

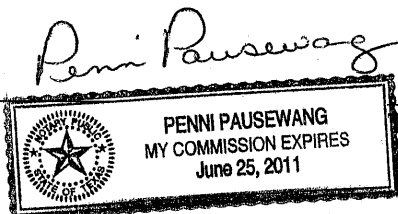
Signature

4 January 2008

Date

GEORGE HAGLE

Name (Printed or typed)
Authorized Representative of
Leedo Manufacturing Co., L.P.



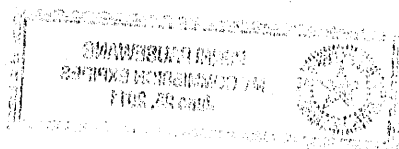
CHAIRMAN

Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

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